

## **EXHIBIT 1**

### **INTRODUCTION**

Respondent Michael L. Torr is a member of the governing board (the “Board”) of the Sweetwater Springs Water District (the “District”) of Sonoma County. As a member of the Board, Respondent is a designated employee of the District, as defined in section 82019, subdivision (c) of the Political Reform Act<sup>1</sup> (the “Act”) and in the District’s conflict of interest code.

As required by the District’s conflict of interest code, each member of the Board is required to file an annual statement of economic interests by April 1 of each year that the member remains in office. On the statement of economic interests, the designated employee must disclose reportable economic interests that he or she held during the preceding calendar year.

In this matter, Respondent failed to timely file a 2003 annual statement of economic interests by the April 1, 2004, due date and failed to timely file a 2004 annual statement of economic interests by the April 1, 2005, due date. Due to Respondent’s filing history, it was not appropriate to handle this case under the SEI Expedited Procedures.

For the purposes of this Stipulation, Respondent’s violations of the Act are stated as follows:

COUNT 1: As a designated employee of the Sweetwater Springs Water District, Respondent Michael L. Torr failed to timely file a 2003 annual statement of economic interests by the April 1, 2004, due date, in violation of section 87300 of the Government Code.

COUNT 2: As a designated employee of the Sweetwater Springs Water District, Respondent Michael L. Torr failed to timely file a 2004 annual statement of economic interests by the April 1, 2005, due date, in violation of section 87300 of the Government Code.

### **SUMMARY OF THE LAW**

An express purpose of the Act, as set forth in section 81002, subdivision (c), is to ensure that the assets and income of public officials that may be materially affected by their official actions be disclosed, so that conflicts of interest may be avoided.

In furtherance of this purpose, section 87300 requires every agency to adopt and promulgate a conflict of interest code. The agency’s conflict of interest code must specifically designate the employees of the agency who are required to file statements of economic interests disclosing their

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<sup>1</sup> The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code unless otherwise indicated. The regulations of the Fair Political Practices Commission appear at 2 California Code of Regulations section 18109, et seq. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

reportable investments, business positions, interests in real property, and sources of income. Under section 82019, subdivision (c), and section 87302, subdivision (a), the persons who are to be designated in an agency's conflict of interest code are the officers, employees, members, and consultants of the agency, whose position with the agency entails making, or participating in making, governmental decisions that may have a reasonably foreseeable material effect on one or more of the individual's economic interests.

Under section 87302, subdivision (b), an agency's conflict of interest code must require every designated employee of the agency to file an annual statement of economic interests for each year that the employee remains in office, at a time specified in the agency's conflict of interest code. On the annual statement of economic interests, a designated employee must disclose his or her reportable economic interests held during the preceding calendar year.

Under section 87300, the requirements of an agency's conflict of interest code have the force of law, and any violation of those requirements is deemed a violation of the Act.

### **SUMMARY OF THE FACTS**

Respondent Michael L. Torr has been a member of the governing board of the Sweetwater Springs Water District since assuming office on January 12, 1993. Under the provisions of the District's conflict of interest code, Respondent was required to file a 2003 annual statement of economic interests ("SEI") by April 1, 2004, disclosing his reportable economic interests held during the preceding year. Respondent failed to file an annual SEI by the due date, in violation of section 87300. In addition, Respondent was required to file a 2004 SEI by April 1, 2005, disclosing his reportable economic interests held during the preceding year. Respondent also failed to file that SEI by the due date, in violation of section 87300.

On July 15, 2004, the filing officer for the District, the Sonoma County Clerk, sent a letter to Respondent notifying him that the county clerk's office had not received his 2003 annual SEI. The letter further notified Respondent that he was required to file the overdue annual SEI immediately. Despite this letter, Respondent failed to file his annual SEI, and he provided no explanation for not filing the SEI.

After receiving no response to the July 15, 2004 letter, on September 21, 2004, the county clerk's office sent a second letter to Respondent, advising him that he had still not filed his 2003 annual SEI. The letter further informed Respondent that, unless he replied within 10 days, the matter would be referred to the Fair Political Practices Commission (the "Commission") for enforcement.

When Respondent did not respond to the second letter, on October 7, 2004, the matter was referred to the Commission for enforcement. On May 15, 2006, Commission Investigator Antonio Becerra telephoned the Sonoma County Clerk's office and discovered that Respondent had filed his 2003, 2004 and 2005 annual SEI's on March 2, 2006. Respondent included a letter with his March 2, 2006 filings stating that he was late in submitting his 2004 SEI because of a death in the family.

During the time he has served as a member of the Board, Respondent has been required to file thirteen annual SEI's, including the most recent 2005 filing. Respondent was late in filing his SEI's for four consecutive years, including his 2000 annual SEI, which was filed over seven months after the due date, and his 2001 annual SEI, which was filed almost one year late. Respondent was prosecuted by the Commission for the late filing of his 2001 annual SEI and paid a fine of \$1,000 for this violation. However, Respondent did file his 2005 SEI on-time.

### **CONCLUSION**

This matter consists of two counts of violating section 87300, which carries a maximum administrative penalty of Ten Thousand Dollars (\$10,000). Due to Respondent's filing history, it was not appropriate to handle this case under the SEI Expedited Procedures.

As noted above, Respondent has established a history of failing to file statements of economic interests in a timely manner, and he has previously been contacted by the Enforcement Division for failing to timely comply with his filing requirements. In addition, Respondent has previously been prosecuted by the Commission for the untimely filing of his 2001 annual statement. Respondent filed his 2003 annual statement almost two years late. Respondents SEI's show that he owns multiple properties within the region. These factors would be sufficiently compelling to warrant imposition of a higher level penalty.

However, Respondent filed the 2005 SEI in a timely manner and stated that the death of his father was the reason the 2004 SEI was overlooked until now. He gave no explanation as to why the 2003 SEI was filed late.

Therefore, imposition of the agreed upon penalty of Six Thousand Dollars (\$6,000) is appropriate.